

CONFIDENTIAL

Release Date _____

MTN. STATES RESOURCES, INC. 843
NE SW 22-41N-30E 18 NAVAJO-0
APACHE CO

(over)

PLUGGING RECORD					
Operator Mountain States Resources, Inc.			Address P.O. Box 250 - Cut Bank, Montana 59427		
Federal, State, or Indian Lease Number or lessor's name if fee lease N00-C-14-20-4433		Well No. 18	Field & Reservoir Teec Nos Pos Field - Ismay		
Location of Well 2043' FSL & 1943' FWL, Section 22, T41N, R30E				Sec-Twp-Rge or Block & Survey	County Apache
Application to drill this well was filed in name of Mountain States Resources		Has this well ever produced oil or gas Yes	Character of well at completion (initial production): Oil (bbls/day) 2 Gas (MCF/day) TSTM Dry? 		
Date plugged: May 4, 1991		Total depth 5200' KB	Amount well producing when plugged: Oil (bbls/day) 0 Gas (MCF/day) 0 Water (bbls/day) 0 (SI)		
Name of each formation containing oil or gas. Indicate which formation open to wellbore at time of plugging	Fluid content of each formation	Depth interval of each formation		Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement	
Ismay (open)	Oil, Gas, & Water	5048-5052' KB, 5095-5101' KB		See Back	
Desert Creek	Oil, Gas, & Water	5136-5141' KB		CIBP at 5080' KB	
CASING RECORD					
Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
8 5/8"	1507	0	1507		
4 1/2"	5197	1543	3654	Jet Cut	
Was well filled with heavy drilling mud, according to regulations?				Indicate deepest formation containing fresh water.	
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name		Address		Direction from this well:	
Navajo Tribe		Window Rock, Arizona			
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.					
Use reverse side for additional detail.					
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Vice President</u> of the <u>Mountain States Resources, Inc.</u> (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.					
Date June 10, 1991		Signature Reno N. Roncco			
AZ OIL & GAS CONSERVATION COMMISSION JUN 20 1991			STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Plugging Record File One Copy		
Permit No. 843			Form No. 10		

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Mountain States Resources, Inc. re-entered and re-plugged the Navajo Tribal "O" 18 as follows:

1. MIRUSU on 5-01-91. Nippled up BOP. Tagged top of top cement plug at 3' GL.
2. Pressure tested BOP to 600 psi. Drilled out cement plug to 268' GL (bottom of top plug) with 3 7/8" blade bit, 4 1/2" casing scraper, changeover, six 3 1/8" drill collars, and 2 3/8" tubing.
3. RIH and tagged top of bottom of cement plug at 2298' GL. Circulated down to hard cement at 2519' GL. Drilled 10' of hard cement to 2529' GL to verify top of plug. BLM gave approval to circulate mud, cut casing, and spot top cement plug.
4. Reverse circulated hole with 9.7 ppg, 50+ second viscosity fresh water gel mud.
5. TOOH with tubing and BHA. Speared 4 1/2" casing and set in slips.
6. Cut casing at 1543' GL. TOOH and laid down 38.5 jts. of 4 1/2" casing.
7. RIH with open-ended 2 3/8" tubing to 1598' GL inside casing stub.
8. Nippled up BJ Services and broke circulation. Cemented casing stub, 7 7/8" hole, and 8 5/8" casing to surface with 465 sx of 50:50:2 Pozmix cement.
9. TOOH and laid down tubing, leaving one jt. in hole. Topped off cement with 10 sx of 50:50:2 Pozmix cement. Laid down jt. of tubing.
10. Nippled down casing head and tubing head. RDMOSU on 5-04-91.
11. Cut off casing and welded on dry hole marker. Reclaimed location.

~~Plugging and abandonment witnessed by Leonard Bixler and Steve Mason of BLM.~~

Form 9-318
(Rev. 5-83)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN D
10-11-83
See other in-
structions on
reverse side

Form approved
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐

2. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESER. ☐ Other ☐

3. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC. BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface NE/4 SW/4 2043' FSL & 1943' FWL, Sec. 22

At top prod. interval reported below Same

At total depth Same

14. PERMIT NO. 02-001-20281
DATE ISSUED 8-01-83

5. LEASE DESIGNATION AND SERIAL NO.
N00-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME
D/N/A

8. FARM OR LEASE NAME
Navajo Tribal "O"

9. WELL NO.
18

10. FIELD AND POOL, OR WILDCAT
Teec Nos Pos

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 22, T41N, R30E

12. COUNTY OR PARISH
Apache

13. STATE
Arizona

15. DATE SPUDDED 8-12-83
16. DATE T.D. REACHED 8-23-83
17. DATE COMPL. (Ready to prod.) 11-30-83
18. ELEVATIONS (DF, RES, RT, OR, ETC.)* 4981' GL

19. TOTAL DEPTH, MD & TVD 5200' KB
20. PLUG BACK T.D., MD & TVD 5184' KB
21. IF MULTIPLE COMPL., HOW MANY*
22. INTERVALS DRILLED BY
23. ROTARY TOOLS
24. CABLE TOOLS

25. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Ismay 5048-5052' KB, 5095-5101' KB. Desert Crk. 5136-5141' KB

26. TYPE ELECTRIC AND OTHER LOGS RUN
Cased Hole GR-CNL, CBL-CCL

27. WAS WELL CORED
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT FILLED
8 5/8"	24	1507'	12 1/4"	650 sx 65:35 Poz & 250 sx Cl. B	
4 1/2"	10.5	5197'	7 7/8"	150 sx 50:50 Poz	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	5108'	5036' (AC)

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

Ismay 5048-5052' KB, 4 SPF, 0.35"
5095-5101' KB, 4 SPF, 0.35"

Desert Crk. 5136-5141' KB, 2 SPF, 0.35"

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5048-5052'	500 gals. 28% FE-HCl
5095-5101'	600 gals. 28% FE-HCl
5136-5141'	500 gals. 28% FE-HCl

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
10-31-83	Swabbing	Shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO
12-01-83	24	2"	→	2	TSTM	70	

FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.	OIL GRAVITY-API (CORR.)
		→	2	TSTM	70	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Vented

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: Reno N. Roncco TITLE: Petroleum Engineer DATE: MAR 17 1986
MAR 17 1986
FARMINGTON RESOURCE AREA
BY: SW

*(See Instructions and Spaces for Additional Data on Reverse Side)

OPERATOR

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 38, below regarding separate reports for separate completions. (If any) for only the interval reported in item 38. Submit a separate report (page) on this form, adequately identified, if not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Item 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 38. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Seals Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

27. SUMMARY OF POROUS ZONES:				38. GEOLOGIC MARKERS	
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF: CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES					
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH TRUE VERT. DEPTH
				Morrison	Surface
				Entrada	590'
				Kayenta	1033'
				Wingate	1100'
				Chinle	1394'
				Shinarump	2140'
				DeChelly	2348'
				Organ Rock	2714'
				Cutler	3258'
				Hermosa	4222'
				Ismay	4971'
				Desert Creek	5117'

871-233

Form 3160-5
(June 1990)

AZ OIL & GAS
CONSERVATION COMMISSION
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 8 1991

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2043' FSL & 1943' FWL, Section 22, T41N, R30E

FORM APPROVED

Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "O" 18

9. API Well No.

02-001-20281

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other Re-enter & re-plug

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form 1)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plans to re-enter and re-plug the Navajo Tribal "O" 18 as follows:

1. Weld 8 5/8" collar on surface casing and nipple up BOP.
2. RIH with 2 3/8" tubing and 3 7/8" bit. Tag surface plug and DO.
3. Tag bottom plug. If top of plug is at least 50' above Hermosa top, test mud and bring to BLM standards if necessary.
4. If top of plug is not at least 50' above Hermosa top, TOOH and LD bit. RIH with open-end tubing to top of plug. Spot sufficient 50:50 Poz cement to extend 50' above Hermosa top. TOOH with tubing.
5. Determine free-point of 4 1/2" casing. If free at 1507' (bottom of surface casing), shoe off and TOOH and LD casing. Goto Step 6. If not free, goto Step 7.
6. RIH with tubing to 1560' and spot 30 sx of (50:50 Poz cement) at 1560'. ~~TOOH with tubing to 1560'. Spot 15 sx of 50:50 Poz cement to surface. TOOH with tubing. (As per approved For 9-331 on 11-30-88).~~ Goto Step 9.
7. Shoot a squeeze shot at 1560'. RIH with tubing to 1560' and squeeze 8 5/8"-4 1/2" annulus with 30 sx of 50:50 Poz cement. Spot 15 ^{Cement} sx of (50:50 Poz cement) inside 4 1/2" casing at 1560'. ~~TOOH with tubing to 50'.~~
8. ~~Spot 10 sx of 50:50 Poz cement to surface. TOOH and LD tubing. Goto Step 9.~~
9. Tear down BOPs, erect dry hole marker, and reclaim location.

THIS PROGRAM IS SUBJECT TO CHANGE DEPENDING ON ACTUAL WELL CONDITIONS UPON REENTRY.

14. I hereby certify that the foregoing is true and correct.

Signed

Patrick H. Montalban

(This space for Federal or State office use)

Title

President

Date: March 29, 1991

Approved by

Conditions of approval, if any:

Title

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

AS AMENDED

THIS APPROVAL EXPIRES

MAY 01 1991

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false statement or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side
FARMINGTON COPY.

Form 3160-5
(June 1990)

**AZ OIL & GAS
CONSERVATION COMMISSION**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 8 1991 11:24:43

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2043' FSL & 1943' FWL, Section 22, T41N, R30E

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "O" 18

9. API Well No.

02-001-20281

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

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TYPE OF ACTION

☐ Abandonment

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☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plans to re-enter and re-plug the Navajo Tribal "O" 18 as follows:

1. Weld 8 5/8" collar on surface casing and nipple up BOP.
2. RIH with 2 3/8" tubing and 3 7/8" bit. Tag surface plug and DO.
3. Tag bottom plug. If top of plug is at least 50' above Hermosa top, test mud and bring to BLM standards if necessary.
4. If top of plug is not at least 50' above Hermosa top, TOOH and LD bit. RIH with open-end tubing to top of plug. Spot sufficient 50:50 Poz cement to extend 50' above Hermosa top. TOOH with tubing.
5. Determine free-point of 4 1/2" casing. If free at 1507' (bottom of surface casing), shoe off and TOOH and LD casing. Goto Step 6. If not free, goto Step 7.
6. RIH with tubing to 1560' and spot 30 sx of (50:50 Poz cement) ^{from} 1560' ~~TOOH with tubing to 50' - Spot 15 sx of 50:50 Poz cement to surface. TOOH with tubing. (As per approved For 9-331 on 11-30-88). Goto Step 9.~~
7. Shoot a squeeze shot at 1560'. RIH with tubing to 1560' and squeeze 8 5/8"-4 1/2" annulus with 30 sx of 50:50 Poz cement. Spot ~~15~~ ³⁰ (50:50 Poz cement) inside 4 1/2" casing ~~at 1560' TOOH with tubing to 50'~~
8. ~~Spot 10 sx of 50:50 Poz cement to surface. TOOH and LD tubing. Goto Step 9.~~
9. Tear down BOPs, erect dry hole marker, and reclaim location.

THIS PROGRAM IS SUBJECT TO CHANGE DEPENDING ON ACTUAL WELL CONDITIONS UPON REENTRY.

14. I hereby certify that the foregoing is true and correct.

Signed Patrick M. Montalban
(This space for Federal or State office use)

Title President

Date March 29, 1991

Approved by _____
Conditions of approval, if any:

Title SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Date APR 02 1991

THIS APPROVAL EXPIRES MAY 01 1991

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side
FARMINGTON COPY.

IN REPLY REFER TO
(019)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Well: 16 Navajo Tribal O'

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. Mark Kelly with the Farmington Office is to be notified at least 48 hours before the plugging operations commence (505) 326-6201.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable):

Step #6 Spot cement from 1570 to surface

Step #7 Spot cement from 1570 to surface inside & outside 4 1/2" casing

*Note: If adequate bonding is indicated on cement bond log,
then spot plug inside 4 1/2" casing*

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.
2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.
3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.
4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl_2 is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).
5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perfs-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.
 - 5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.
6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.
7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

APPLICATION TO PLUG AND ABANDON

AZ OIL & GAS
CONSERVATION COMMISSION

APR 1 1991

FIELD Teec Nos PosOPERATOR Mountain States Resources, Inc. ADDRESS P.O. Box 250 - Cut Bank, Montana 59427
Federal, State or Indian Lease Number N00-C-14-20-4433 WELL NO. Navajo Tribal "O" 18
or Lessor's Name if Fee LeaseLOCATION 2043' FSL & 1943' FWL, Section 22, T41N, R30ETYPE OF WELL Oil

(Oil, Gas or Dry Hole)

TOTAL DEPTH 5200' KB

ALLOWABLE (If Assigned)

LAST PRODUCTION TEST

OIL 0.83 (Bbls.)WATER 56 (Bbls.)GAS Trace (MCF)DATE OF TEST December, 1983PRODUCING HORIZON IsmayPRODUCING FROM 5095'

5048'

TO 5101'

5136'

5141'

1. COMPLETE CASING RECORD.

Desert Creek

Casing Size	Wt., ppf	Depth Set	Hole Size	Cementing Record
8 5/8"	24	1507'	12 1/4"	650 sx 65:35 Poz 250 sx Class B
4 1/2"	10.5	5197'	7 7/8"	150 sx 50:50 Poz

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

See attached BLM Form 3160-5.

DATE COMMENCING OPERATIONS April, 1991 when regulatory approval received & finances permitNAME OF PERSON DOING WORK J. V. Montalban ADDRESS Cut Bank, Montana 59427
Consultant

Signature

Patrick M. Montalban

Title

President

Address

P.O. Box 250 - Cut Bank, Montana 59427

Date

March 29, 1991

Date Approved _____
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: _____

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Plug and Abandon
File Two Copies

Form No. 9

Permit No. 843

4/82

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2043' FSL & 1943' FWL, Section 22, T41N, R30E

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "O" 18

9. API Well No.

02-001-20281

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Re-enter & re-plug	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plans to re-enter and re-plug the Navajo Tribal "O" 18 as follows:

1. Weld 8 5/8" collar on surface casing and nipple up BOP.
2. RIH with 2 3/8" tubing and 3 7/8" bit. Tag surface plug and DO.
3. Tag bottom plug. If top of plug is at least 50' above Hermosa top, test mud and bring to BLM standards if necessary.
4. If top of plug is not at least 50' above Hermosa top, TOOH and LD bit. RIH with open-ended tubing to top of plug. Spot sufficient 50:50 Poz cement to extend 50' above Hermosa top. TOOH with tubing.
5. Determine free-point of 4 1/2" casing. If free at 1507' (bottom of surface casing), shoot off and TOOH and LD casing. Goto Step 6. If not free, goto Step 7.
6. RIH with tubing to 1560' and spot 30 sx of 50:50 Poz cement at 1560'. TOOH with tubing to 50'. Spot 15 sx of 50:50 Poz cement to surface. TOOH with tubing. (As per approved Form 9-331 on 11-30-88). Goto Step 9.
7. Shoot a squeeze shot at 1560'. RIH with tubing to 1560' and squeeze 8 5/8"-4 1/2" annulus with 30 sx of 50:50 Poz cement. Spot 15 sx of 50:50 Poz cement inside 4 1/2" casing at 1560'. TOOH with tubing to 50'.
8. Spot 10 sx of 50:50 Poz cement to surface. TOOH and LD tubing. Goto Step 9.
9. Tear down BOPs, erect dry hole marker, and reclaim location.

THIS PROGRAM IS SUBJECT TO CHANGE DEPENDING ON ACTUAL WELL CONDITIONS UPON REENTRY.

14. I hereby certify that the foregoing is true and correct

Signed

Patrick M. Montalban

Title

President

Date March 29, 1991

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
• CBM Building - Box 250 - Cui Bank, Montana 59427-0250 • (406) 873-2235

December 21, 1990

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 26 1991

Mr. John Keller
U. S. Department of the Interior
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

RE: Navajo Tribal "0" 12, 16, and 18
Section 22 - T41N - R30E
Apache County, Arizona
Terminated Lease N00-C-14-20-4433

Dear Mr. Keller:

Please find enclosed Forms 3160-5, subsequent reports of the plugging and abandonment of the above captioned wells. Also enclosed are Cementing Service Reports from Dowell Schlumberger for each well.

If additional information is required, please advise.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

J. V. Montalban
President

JVM/

Enclosures

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 26 1991

3160-5
June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Fingage, Sec., T., R., M., or Survey Description)

2043' FSL & 1943' FWL, Section 22, T41N, R30E

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "O" 18

9. API Well No.

02-001-20281

10. Field and Pool, or Exploratory Area

Teec Nos Pog

11. County or Parish, State

Apache Co., Arizona

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give azimuth, location and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plugged and abandoned the Navajo Tribal "O" 18 on October 14, 1990 as shown below:

- 1) Pressure tested lines.
- 2) Pumped 40 sx 50:50 Pozmix cement.
- 3) Displaced bottom plug with 53 bbl.
- 4) Pumped 40 sx 50:50 Pozmix cement, cement top at surface.
- 5) Shut-in well. WOC.
- 6) Cut off and capped casings, welded on dry hole marker.

14. I hereby certify that the foregoing is true and correct.

Signed

(Title space for Federal or State office use)

Title President

Date October 24, 1990

Approved by

Conditions of approval, if any:

Title

Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**AZ OIL & GAS
CONSERVATION COMMISSION**

FEB 26 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1160-5
(1990)

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mountain States Resources, Inc.

3. Address and Telephone No.

P.O. Box 250 - Cut Bank, Montana 59427 (406) 873-2235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2043' FSL & 1943' FWL, Section 22, T41N, R30E

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

N00-C-14-20-4433

6. If Indian, Allottee or Tribe Name :

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Navajo Tribal "O" 18

9. API Well No.

02-001-20281

10. Field and Pool, or Exploratory Area

Teec Nos Pos

11. County or Parish, State

Apache County, Arizona

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Mountain States Resources, Inc. plugged and abandoned the Navajo Tribal "O" 18 on October 14, 1990 as shown below:

- 1) SICP = 10 psi. Bled well down.
- 2) Nipped up cementers, pressure tested lines, and established rate with water.
- 3) Pumped 40 sx of 50:50 Pozmix cement. Displaced cement with 53 bbl of mud. Bottom of plug at 4500 ft., top at 3937 ft. Avg. P = 560 psi.
- 4) Pumped 40 sx of 50:50 Pozmix cement. Bottom of plug at 563 ft., top at surface. Avg. P = 2525 psi.
- 5) Shut-in well. WOC.
- 6) Cut off casings and welded on steel plate and dry hole marker.

Stretch data obtained in 1985 during workover operation indicated the casing to be stuck at approximately 1800' (10" stretch w/pull of 42,000#).

14. I hereby certify that the foregoing is true and correct.

Signed

Title

President

Date December 21, 1990

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

[illegible]



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 250 - Cut Bank, Montana 59701 (406) 873-2235

CONSERVATION COMMISSION

FEB 26 1991

TO: J. V. Montalban

FROM: R. N. Roncco

SUBJECT: Navajo Tribal "O" 12, 16, and 18; Teec Nos Pos Field; Apache County
Arizona

Paul Smith of Smith Welding performed the following work on the above captioned wells during the plugging and abandonment of the wells:

- N. T. "O" 12: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing dropped approximately 3 feet inside the 8 5/8" casing when the 4 1/2" casing was cut.
- N. T. "O" 16: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing dropped approximately 3 feet inside the 8 5/8" casing when the 4 1/2" casing was cut.
- N. T. "O" 18: Cut 8 5/8" surface casing and 4 1/2" production casing approximately 3 feet below ground level, welded on 1/4" steel plate and dry hole marker. The 4 1/2" production casing did not drop inside the 8 5/8" casing when the 4 1/2" casing was cut.

The above work was done on approximately October 17, 1990. I was not present but the work was done according to my instructions. The above information was given to me by Paul Smith during our telephone conversation on February 18, 1991.

UNITED STATES NOV 22 1988
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form Approved.
Budget Bureau No. 42-R1424

843

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well ☒ gas well ☐ other ☐
2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.
3. ADDRESS OF OPERATOR
P.O. Box 250 - Cut Bank, Montana 59427
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: Sec. 22, 2043' FSL & 1943' FWL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:
16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

5. LEASE
NOO-C-14-20-4433
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
Navajo Tribal "O"
9. WELL NO.
18
10. FIELD OR WILDCAT NAME
Teece Nos. Pos.
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22, T41N, R30E
12. COUNTY OR PARISH
Apache
13. STATE
Arizona
14. API NO.
02-001-20281
15. ELEVATIONS (SHOW DF, KDB, AND WD)
4981' GL

REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF ☐ ☐
FRACTURE TREAT ☐ ☐
SHOOT OR ACIDIZE ☐ ☐
REPAIR WELL ☐ ☐
PULL OR ALTER CASING ☐ ☐
MULTIPLE COMPLETE ☐ ☐
CHANGE ZONES ☐ ☐
ABANDON* ☒ ☐
(other) ☐ ☐

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)
MOUNTAIN STATES RESOURCES, INC. proposes to plug and abandon this well because commercial production has not been attained and the lease has been cancelled. All work will be done in accordance to BLM and AOGCC regulations. The proposed procedure is as follows:

1. MIRUSU.
2. Pick up 2 3/8" tubing and RIH to 5000 ft. Spot 10 sx of 50:50 Pozmix cement at 5000 ft. TOOH with tubing.
3. Shoot off 4 1/2" casing at 4000 ft. and TOOH with casing. Fill the hole with 9.0 ppg fresh water gel mud.
4. RIH with tubing to 1560 ft. Spot 30 sx of 50:50 Pozmix cement at 1560 ft. TOOH with tubing to 20 ft.
5. Spot 10 sx of 50:50 Pozmix cement in 8 5/8" casing to surface. TOOH with tubing.
6. RDMOSU and reclaim location.

Subsurface Safety Valve, Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE President DATE October 3, 1988
MONTALBAN
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL IF ANY:

BLM(4), AOGCC(3)

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED

JUN 8 1984

O & G CONSV. COMM.

1. Name of Operator MOUNTAIN STATES RESOURCES, INC.
 2. OIL WELL ☒ GAS WELL ☐ OTHER ☐ (Specify) _____
 3. Well Name Navajo #18
 Location NE 1/4 SW 1/4 - Sec. 29 - T41N - R30E
 Sec. 29 Twp. 41N Rge. 30E County Apache, Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease
Navajo "O" Tribal Lease #N00-C-14-20-4433
Teec Nos Pos Field
 5. Field or Pool Name _____

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input checked="" type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) _____	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

We are presently attempting to evaluate testing results obtained to date on this well; which indicates a small - marginal producer, at best, making less than 10 barrels of oil per day, with some 150 barrels of water per day. These facts, along with the vandalism, thefts and harassment that we are receiving at Teec Nos Pos, is making us consider plugging and abandoning this well. When definite plans to either rework and/or plug and abandon this well later this summer, have been ascertained, we will file a definite plan.

8. I hereby certify that the foregoing is true and correct.

Signed

J. V. Montalban

Title Mgr. of Operations Date June 4, 1984

Permit No. 00843

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Sundry Notices and Reports On Wells
File One Copy

Form No. 25

RECEIVED

MAR 26 1984

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED

AUG 29 1983

1. Name of Operator MOUNTAIN STATES RESOURCES, INC.
 2. OIL WELL ☒ GAS WELL ☐ OTHER ☐ (Specify) _____
 3. Well Name Navajo #18
 Location NESW Sec. 22-2043' FSL & 1943' FWL
 Sec. 22 Twp. 41N Rge. 30E County Apache, Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease N00-C-14-20-4433

5. Field or Pool Name Teec Nos Pos

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐ PULL OR ALTER CASING ☐
 FRACTURE TREAT ☐ DIRECTIONAL DRILL ☐
 SHOOT OR ACIDIZE ☐ PERFORATE CASING ☐
 REPAIR WELL ☐ CHANGE PLANS ☐
 (OTHER) Report of Operations

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐ MONTHLY PROGRESS ☐
 FRACTURE TREATMENT ☐ REPAIRING WELL ☐
 SHOOTING OR ACIDIZING ☐ ALTERING CASING ☐
 ABANDONMENT ☐
 (OTHER) _____

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

983 Aug. 4/5/6/ - Graded location and dug sump.
 Aug. 7/8/9 - Moved on dry hole digger, dug & set 52' of 14" conductor pipe. cemented w/ 25 sax redi-mix.
 Aug. 12 & 13 - Moved on Energy Search Rig No. 1 - Rigged up & spudded
 Aug. 13, 1983 - drilling 12 1/4" hole.
 Aug. 14 - Drilled 1509' of 12 1/4" hole, ran and cemented 37 jts. 8 5/8" 24# J55 Range 3 surface pipe. Cemented at 1507' K.B. with 650 sax 65/35 Poz Mix 6% Gel, tailed in with 150 sax neat Class "B" cement. Added 100 sax w/ 2" at top of surface. Good returns. Finished cementing 10:A.M. 8/14/83.
 8/15/83-8/16/83 - WOC - Nipped up. Tested BOP, drilled 7 7/8" to 2731.
 8/17 - Drilled to 3250. 8/20 - Drilled to 4515.
 8/18 - Drilled to 3671. 8/21 - Drilled to 4820.
 8/19 - Drilled to 4160. Dowell Float Shoe Set @ 1507 ft.

8. I hereby certify that the foregoing is true and correct.

Signed J.V. Montalban
 J.V. Montalban, Pet. Engineer
 Manager of Operations

Title President Date August 23, 1983

Permit No. 843

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION

Sundry Notices and Reports On Wells
 File One Copy

Form No. 25

Form 9-331
Dec. 1973

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well ☒ gas well ☐ other ☐

2. NAME OF OPERATOR

MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR

P. O. BOX 1995 - Cut Bank, Mt. 59427-1995

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: NESW Sec. 22-2043' FSL & 1943'

AT TOP PROD. INTERVAL:

FWL

AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

CHANGE ZONES ☐

ABANDON* ☐

(other)

Report of Operations

SUBSEQUENT REPORT OF:

RECEIVED

NOV 07 1983

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

Form Approved
Budget Bureau No. 42-R1424

5. LEASE

NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NAVAJO

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo Tribal "O"

9. WELL NO.

NAVAJO "O" #18

10. FIELD OR WILDCAT NAME

Teec Nos Pos

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 22 - T41N - R30E

12. COUNTY OR PARISH

APACHE

13. STATE

ARIZONA

14. API NO.

02-001-20281

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4981' (Ungraded)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Aug. 22: Drilled to 5013' making 193' past 24 Hrs. Mudding up for pay - Vis. 50, (Mon) Wt. 9.2#, W.L. 10 c/c.

Aug. 23: Drilled to T.D. 5200' - making 187' past 24 Hrs. Mud - Vis. 74, (Tues) Wt. 9.4#, W.L. 6 c/c. Condition hole, make dummy trip for logs, Bridge @ 2118'.

Aug. 24: Conditioned hole, made two attempts to run logs, could not get past (Wed.) 2200'. Bad bridge, decide to run pipe to test well, based on good show in samples and good shows on Mud Logging Unit in both Lower Ismay and Desert Creek. Ran 130 Jts. of 4 1/2" 10.5# J55 API Production Casing, set at 5197'. Cemented with 100 Sax 50/50 POZ Mix, plus 2% Gel and

Aug. 25: 10% Salt.

(Thur.) Waiting on Chapter House at Teec Nos Pos, and BIA officials to let us (over

Subsurface Safety Valve: Manu. and Type

4 1/2" Baker Float Shoe and Float Collar

Set @ 5,197 Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED J. V. Montalban, Jr. Mgr. of Operations DATE Sept. 10, 1983

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY.

TITLE

DATE

ACCEPTED FOR RECORD (over)

NOV 09 1983

FARMINGTON RESOURCE AREA

*See Instructions on Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 17: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

GPO : 1976 O - 314-149

Aug. 25 - Continued...
(Thur.)

move rig to Navajo "0" #20. We have an approved APD to drill Navajo "0" #20; but we have been prevented from moving on. Will move completion rig on hole, when drilling rig moves off!

(C) 1980

APPROVED FOR
SUBMITTER

APPROVED FOR
SUBMITTER

APPROVED FOR
SUBMITTER

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☒ well gas ☐ well other ☐

2. NAME OF OPERATOR
MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR
P.O. Box 176, Cut Bank, Mt. 59427

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: NESW Sec. 22-2043' FSL & 1943' FWL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF ☐ ☐
FRACTURE TREAT ☐ ☐
SHOOT OR ACIDIZE ☐ ☐
REPAIR WELL ☐ ☐
PULL OR ALTER CASING ☐ ☐
MULTIPLE COMPLETE ☐ ☐
CHANGE ZONES ☐ ☐
ABANDON* ☐ ☐
(other) Report of Operations ☐

Form Approved.
Budget Bureau No. 42-R1424

5. LEASE
NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo

7. UNIT AGREEMENT NAME RECEIVED

8. FARM OR LEASE NAME
Navajo Tribal "O" AUG 29 1983

9. WELL NO. #18 O & G CONS. COMM.

10. FIELD OR WILDCAT NAME
Teec Nos Pos

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22-T41N-R30E

12. COUNTY OR PARISH 13. STATE
Apache Arizona

14. API NO.
02-001-20281

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4981' 4981' (Ungraded)

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

983 Aug. 4/5/6/ - Graded location and dug sump.
Aug. 7/8/9/ - Moved on dry hole digger, dug & set 52' of 14" conductor pipe. Cemented w/ 25 sax redi-mix.
Aug. 12 & 13 - Moved on Energy Search Rig No. 1 - Rigged up & spudded
Aug. 13, 1983 drilling 12 1/4" hole.
Aug. 14 - Drilled 1509' of 12 1/4" hole, ran and cemented 37 jts. 8 5/8" 24# J55 Range 3 surface pipe. Cemented at 1507' K.B. with 650 sax 65/35 Poz Mix 6% Gel, tailed in with 150 sax neat Class "B" cement. Added 100 sax w/ 2" at top of surface. Good returns. Finished cementing 10:AM 8/14/83.
8/15/83-8/16/83 - WOC - Nippled up. Tested BOP, drilled 7 7/8" to 2731.
8/17 - Drilled to 3250. 8/20 - Drilled to 4515.
8/18 - Drilled to 3671. 8/21 - Drilled to 4820.
8/19/- Drilled to 4160. Dowell Float Shoe Set @ 1507 Ft.
Subsurface Safety Valve: Manu. and Type

18. I hereby certify that the foregoing is true and correct

SIGNED J. V. Montalban TITLE President DATE August 23, 1983

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator MOUNTAIN STATES RESOURCES, INC.

2. OIL WELL ☒ GAS WELL ☐ OTHER ☐ (Specify) _____

3. Well Name Navajo #18

Location NESW Sec. 22-2043' FSL & 1943' FWL

Sec. 22 Twp. 41N Rge. 30E County Apache, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease N00-C-14-20-4433

5. Field or Pool Name Teec Nos Pos

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) _____	ABANDONMENT <input type="checkbox"/>
(OTHER) <u>Report of Operations</u>			

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

1983 Aug. 4/5/6/ - Graded location and dug sump.

Aug. 7/8/9 - Moved on dry hole digger, dug & set 52' of 14" conductor pipe. cemented w/ 25 sax redi-mix.

Aug. 12 & 13 - Moved on Energy Search Rig No. 1 - Rigged up & spudded

Aug. 13, 1983 - drilling 12 1/4" hole.

Aug. 14 - Drilled 1509' of 12 1/4" hole, ran and cemented 37 jts. 8 5/8" 24# J55 Range 3 surface pipe. Cemented at 1507' K.B. with 650 sax 65/35 Poz Mix 6% Gel, tailed in with 150 sax neat Class "B" cement. Added 100 sax w/ 2" at top of surface. Good returns. Finished cementing 10:A.M. 8/14/83.

8/15/83-8/16/83 - WOC - Nippled up. Tested BOP, drilled 7 7/8" to 2731.

8/17 - Drilled to 3250. 8/20 - Drilled to 4515.

8/18 - Drilled to 3671. 8/21 - Drilled to 4820.

8/19 - Drilled to 4160. Dowell Float Shoe Set @ 1507 ft.

8. I hereby certify that the foregoing is true and correct.

Signed J.V. Montalban
J.V. Montalban, Pet. Engineer
Manager of Operations

Title President Date August 23, 1983

Permit No. _____

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 Form No. 25 File One Copy

Mailed copy to R.A. Ybarra
 August 25, 1983

Form 9-331
Dec. 1973

RECEIVED
JUN 8 1984
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form Approved.
Budget Bureau No. 42-R1424

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well ☒ gas well ☐ other ☐

2. NAME OF OPERATOR

MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR

Box 1995 - Cut Bank, Mt. 59427-1995

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: NESW Sec. 22 - 2043' FSL & 1943' FWL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☒

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

CHANGE ZONES ☐

ABANDON* ☐

(other) ☐

SUBSEQUENT REPORT OF:

☐

☐

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☐

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☐

☐

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(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

We are presently attempting to evaluate testing results obtained to date on this well; which indicates a small - marginal producer, at best, making less than 10 barrels of oil per day, with some 150 barrels of water per day. These facts, along with the vandalism, thefts and harrassment that we are receiving at Teec Nos Pos, is making us consider plugging and abandoning this well. When definite plans to either rework and/or plug and abandon this well later this summer, have been ascertained, we will file a definite plan.

Subsurface Safety Valve Manu. and Type 4 1/2" Baker Float Shoe & Float Collar @ 5,197 Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED J. V. Montalban, Pet. Eng.

TITLE Mgr. of Operations DATE June 4, 1984

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____ DATE _____

cc: Arizona Oil & Gas Commission
R. A. Ybarra-Compliance

*See Instructions on Reverse Side

STATE OF ARIZONA
OIL AND GAS CONSERVATION COMMISSION

PERMIT 843

REPORT ON PROPOSED OPERATIONS

MOUNTAIN STATES RESOURCES, INC.
CBM Building P. O. Box 1995
Cut Bank, MT 95427

Phoenix, ARIZONA
August 8, 1983

Your proposal to drill well 18 NAVAJO-0,
A.P.I. No. 02-001-20281, Section 22, T. 41N, R. 30E, G&SR B. & M.,
Teec Nos Pos field, area, pool,
APACHE County, dated 8/2/83, received 8/8/83 has been examined in conjunction with records
filed in this office.

THE PROPOSAL IS APPROVED PROVIDED:

1. Drilling mud consistent with sound drilling practices shall be used at all times.
2. The well is cased and cemented in such a manner as to protect all zones that contain oil, gas, or fresh water, so as to provide well control during drilling operations.
3. Blowout prevention equipment shall be installed, used, maintained, and tested in a manner necessary to assure well control throughout the drilling, completion or abandonment of the well.
4. The status of completed drilling operations (Form 25) shall be filed with the Commission on a timely basis.
5. Samples of all cores and cuttings taken at a maximum interval of ten feet, shall be shipped or mailed, charges prepaid, to:
 - a. Oil & Gas Conservation Commission, Phoenix, office.
 - b. Bureau of Geology & Mineral Technology, University of Arizona
845 N. Park, Tucson, AZ 85719
6. THIS COMMISSION SHALL BE NOTIFIED:
 - a. Immediately when drilling operations commence.
 - b. To witness the running and cementing of the surface casing.
 - c. To inspect the installed blowout prevention equipment prior to drilling below the shoe of the surface casing at 1500 feet.

BOND 4385444 (Blanket Bond)

A. K. DOSS, Executive Director
By R. A. Ykama
Enforcement Director

A copy of this report and the proposal must be posted at the well site prior to commencing operations.

Records for work done under this permit are due within 30 days after the work has been completed or the operations have been suspended.



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

*Drilling Job #18
Navajo*

August 2, 1983

Mr. R. A. Ybarra
STATE OF ARIZONA
Oil & Gas Conservation Commission
Suite #420 - 1645 West Jefferson
Phoenix, Arizona 85007

Dear Mr. Ybarra:

Re: Mountain States Resources, Inc.
Application for Permit To Drill
Navajo "O" #18 Well
Apache County, Arizona

Enclosed please find four (4) copies of the above described Application For Permit To Drill, together with our check #10061, in the amount of \$25.00, covering the filing fee.

We will appreciate your returning two copies of the approved Application for our files.

Thanking you for your kind attention to this matter, I remain

Yours very truly,

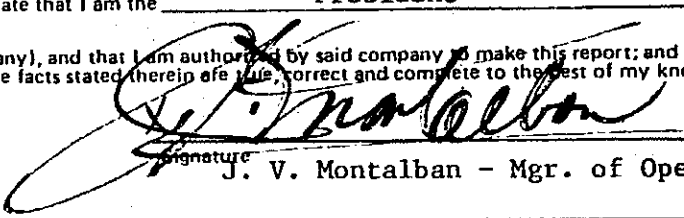
MOUNTAIN STATES RESOURCES, INC.

Cora Belle Montalban

Cora Belle Montalban - Secretary

CBM/me
Encs: (4)

P/P 843

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER		
APPLICATION TO DRILL <input checked="" type="checkbox"/>		RE-ENTER OLD WELL <input type="checkbox"/>
NAME OF COMPANY OR OPERATOR		AUG 8 1983
MOUNTAIN STATES RESOURCES, INC.		O & G CONS. COMM.
Address CBM BLDG. Box 1995		City Cut Bank State Mt. 59427-1995
Drilling Contractor		
Unknown at this time		
Address Unknown at this time		
DESCRIPTION OF WELL AND LEASE		
Federal, State or Indian Lease Number, or if fee lease, name of lessor	Well number	Elevation (ground)
Navajo Tribal NOO-C-14-20-4433	#18	4981' GR (Ungraded)
Nearest distance from proposed location to property or lease line:	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:	
1943' feet	1469 feet	
Number of acres in lease:	Number of wells on lease, including this well, completed in or drilling to this reservoir:	
1280	Three (3)	
If lease, purchased with one or more wells drilled, from whom purchased:		
Name Address		
Energy Reserves Group, Inc. P. O. Box 3280 Casper, Wyoming		
Well location (give footage from section lines)	Section-township-range or block and survey	Dedication (Comply with Rule 105)
2043' FSL & 1943' FWL	Sec. 22-T41N-R30E	40 acres (NE/4SW/4)
Field and reservoir (if wildcat, so state)	County	
Teec Nos Pos Field	Apache County	
Distance in miles, and direction from nearest town or post office		
Approx. 2 miles NW of Teec Nos Pos Trading Post, Arizona		
Proposed depth:	Rotary or cable tools	Approx. date work will start
5190'	Rotary	
Bond Status Active #4385444	Organization Report #028954	Filing Fee of \$25.00
Amount \$25,000.00	On file Oct/82 Or attached	Attached \$25.00 Ck.#
Remarks: Mountain States Resources, Inc. proposes to drill the referenced well with rotary tools. No cores are anticipated. Potential zones which may be tested are the Lower Ismay and Desert Creek. Copies of all logs run will be furnished upon completion of the well. Anticipated zone of completion is the Lower Ismay and Desert Creek.		
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>President</u> of the <u>Mountain States Resources, Inc.</u> (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.		
 J. V. Montalban - Mgr. of Operations		
Date August 2, 1983		
Permit Number: <u>8432</u>	STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application to Drill or Re-enter File Two Copies Form No. 3	
Approval Date: <u>8/8/83</u>		
Approved By: <u>R.G. Ytana</u>		
Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.		

1. Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description All Sections 22 and 27

R30E

22

40 Acres (NE/4SW/4)
Dedicated to
Navajo "O" #18

1943'

2043'

T41N

CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name: J. W. Montebano

Position: Mgr. of Operations

Company: Mountain States Resources, Inc.

Date: August 2, 1983

I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: June 8, 1983

Registered Professional Engineer and/or Land Surveyor

Gerald G. Huddleston, L.S.

Certificate No. 14668

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
8 5/8"	24#	J55	Surf.	1500'	0' - 1500'	800 Sax	
4 1/2"	10.5#	J55	Surf.	5190'	4790' - 5190'	200 Sax	



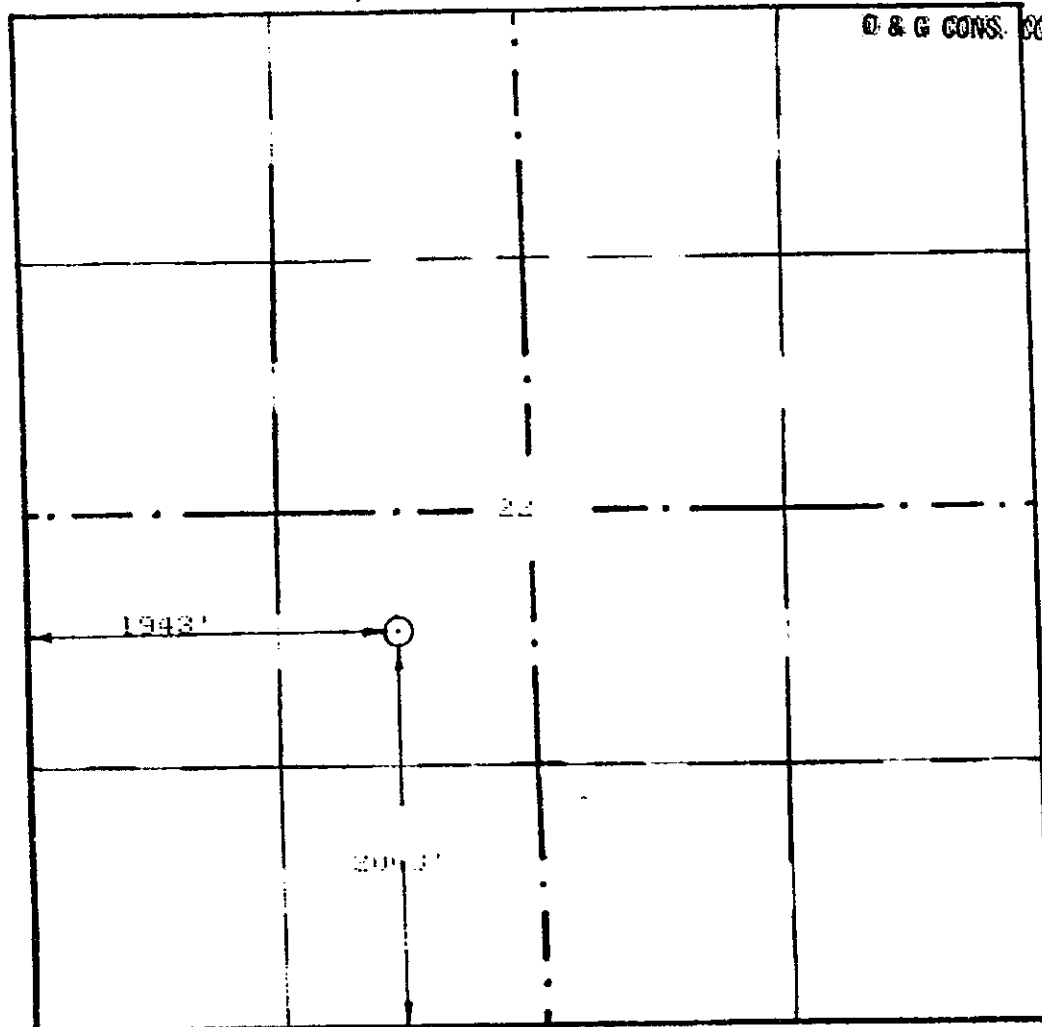
POWERS ELEVATION

Well Location Plat

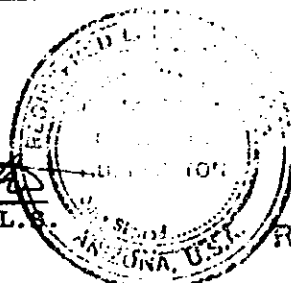
RECEIVED

AUG 8 1983

O & G CONS. COMM.



Operator Mountain states Resource		Well name Navajo "O" #18	
Section 22	Township 41 N	Range 30 E	Meridian Gila & Salt River
Footages 2043'+S 1943'+W		County/State Apache, Ar.	
Elevation 4981'	Requested by Mr. Montelban		
The above plat is true and correct to the best of my knowledge and belief.			
<i>Gerald G. Huddleston</i> Gerald G. Huddleston, L.S.			



RECEIVED

JUN 9 1983

MOUNTAIN STATES DEVELOPMENT, INC.



POWERS ELEVATION

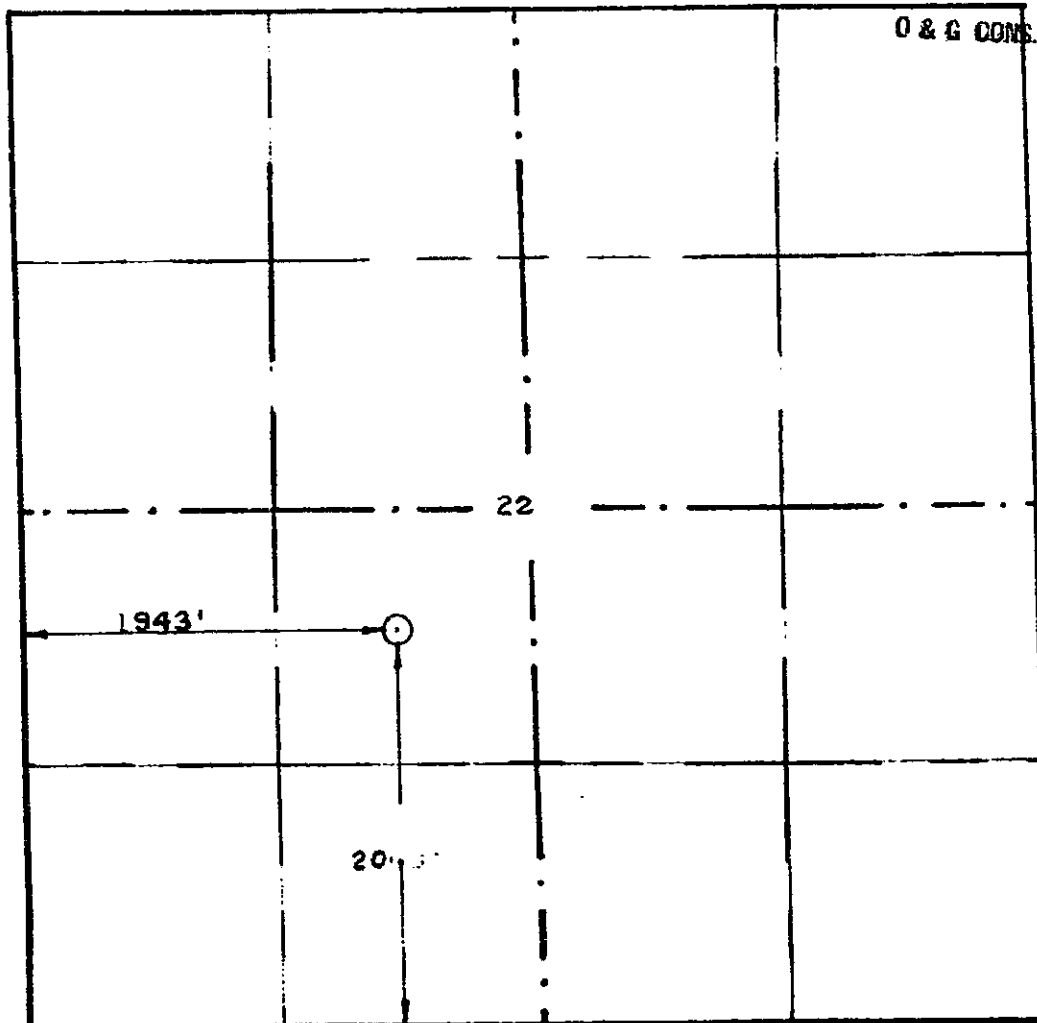
Well Location Plat

RECEIVED

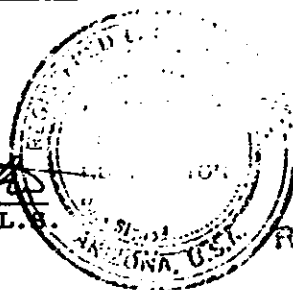
AUG 8 1983

O & G CONS. COMM.

R 30 E



Operator Mountain States Resource		Well name Hawley "O" #12	
Section 22	Township 41 N	Range 30 E	Meridian Gila & Salt River
Footages 2043'±8 1903'±10		County/State Apache, AZ.	
Elevation 4931'	Requested by Mr. Montalban		
The above plat is true and correct to the best of my knowledge and belief. <i>Gerald G. Huddleston</i> Gerald G. Huddleston, L.S.			



MOUNTAIN STATES RESOURCE, INC.



PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: MOUNTAIN STATES RESOURCES, INC.
(OPERATOR)

to drill a well to be known as

#18 Navajo-0
(WELL NAME)

located 2043' FSL & 1943' FWL

Section 22 Township 41N Range 30E, APACHE County, Arizona.

The NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 8th day of August, 19 83

OIL AND GAS CONSERVATION COMMISSION

By [Signature]
EXECUTIVE DIRECTOR

PERMIT 00003

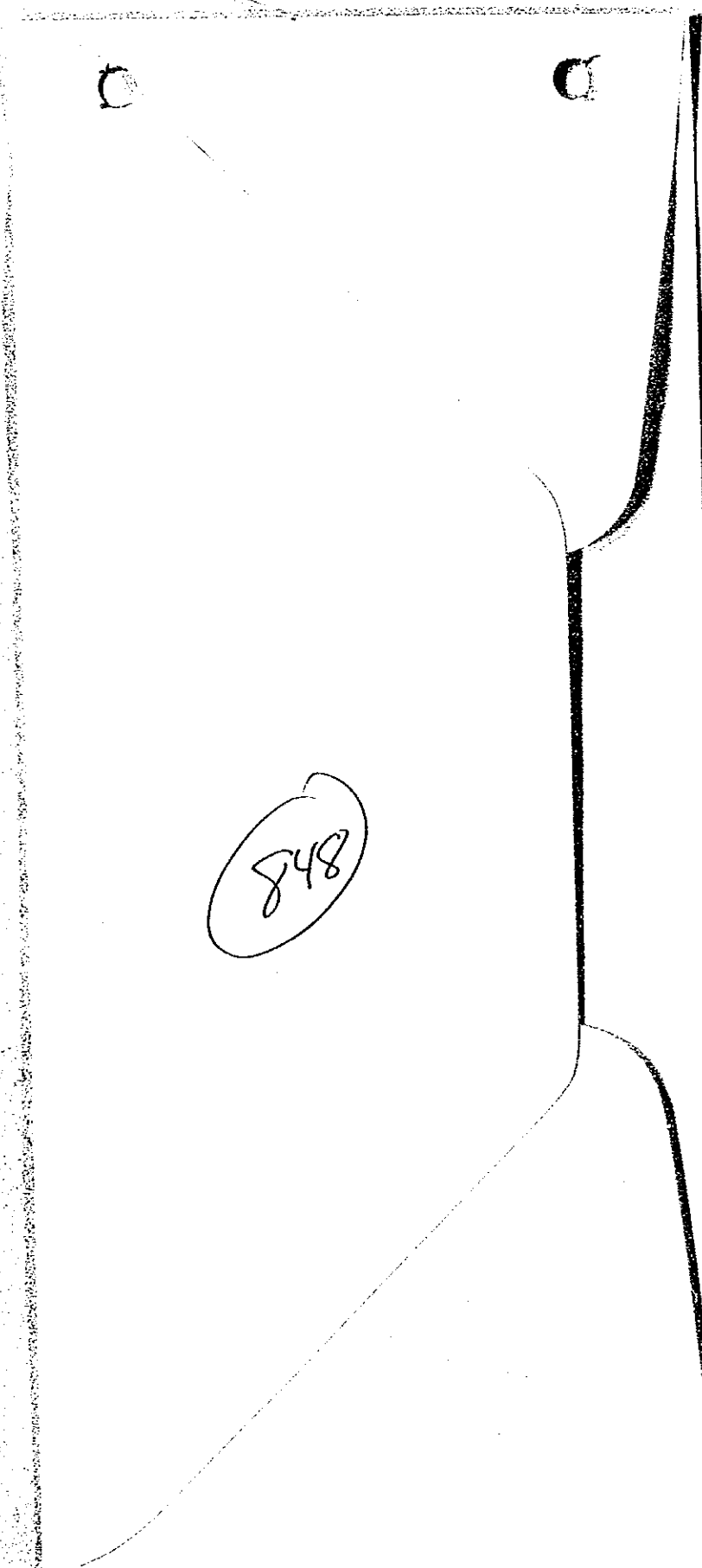
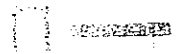
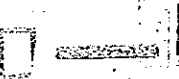
RECEIPT NO. 2433

A.P.I. NO. 02-001-20281

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

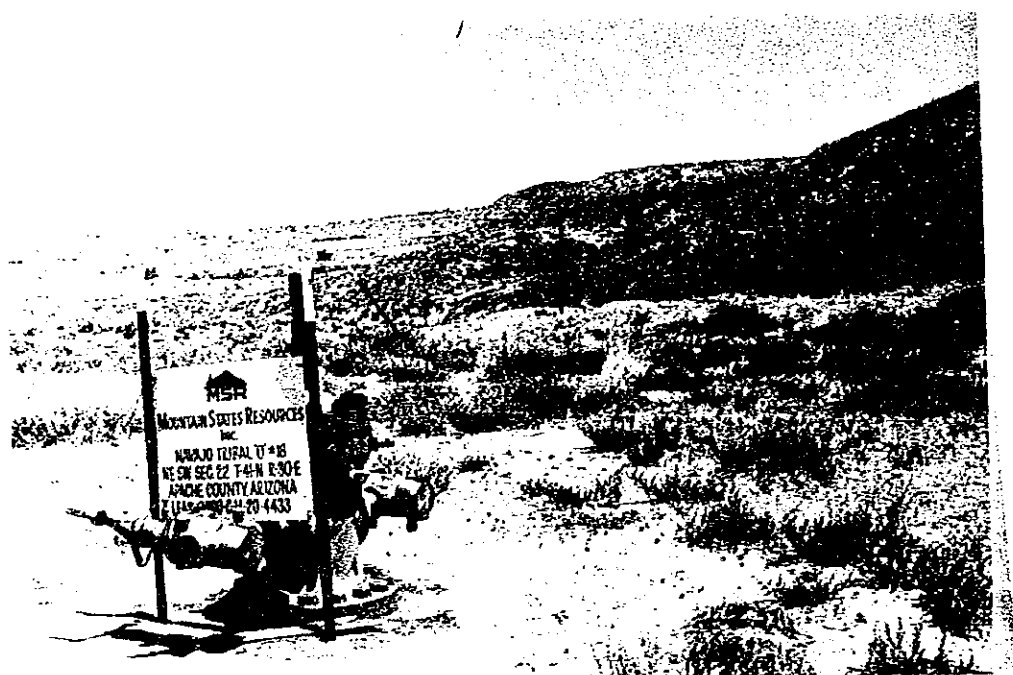
FORM NO. 27

SEE ATTACHED: REPORT ON PROPOSED OPERATIONS



848





Mountain States Res Navajo "O" # 18
P/N 843



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

October 2, 1997

Patrick M. Montalban
Mountain States Resources, Inc.
P.O. Box 250
Cut Bank, MT 59427-0250

Re: Mountain States Resources, Inc.
\$25,000 Oil Drilling Blanket Bond #438-5444
SAFECO Insurance Company of America

Dear Mr. Montalban:

Records of the Oil and Gas Conservation Commission of the State of Arizona show that Mountain States Resources, Inc. has no outstanding drilling or plugging obligations in Arizona.

As a result, this letter constitutes written permission by the Oil and Gas Conservation Commission to terminate liability under the bond.

Please advise if we may be of further service.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM BUILDING - BOX 250 - CUT BANK, MONTANA 59427-0250
TELEPHONE (406) 873-2235 FAX 406-873-4731

September 25, 1997

Steven L. Rauzi
Oil & Gas Program Administrator
STATE OF ARIZONA
Geological Survey
416 West Congress, Suite 100
Tucson, Arizona 85701

RE: Mountain States Resources, Inc
\$25,000 Oil Drilling Blanket Bond #438-5444
Safeco Insurance Company of America

Dear Mr. Rauzi:

Further to your letter received in our office concerning the above captioned, please be advised that we are writing to request that MSR be released from liability under our \$25,000 Drilling Blanket Bond (#438-5444).

According to your letter, we have no outstanding drilling or plugging obligations in the State of Arizona.

We trust that all is in order to release this bond and if you should require anything further, please contact our Cut Bank office.

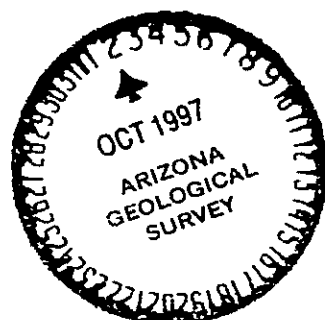
Thank you for your cooperation in this matter.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC


Patrick M. Montalban
President

PMM/cb



**Rocky Mountain Region Report
Section I**

2-21-92

Page 4

P# 843

(This Week, continued from Page 3)

approximately 15 miles long and four miles wide. These expendable wells have production tested and logged numerous oil and gas sands, Benton said, but the field has never been commercially produced.

The 1992 development program, which has commenced with the initial drilling of six wells, is the first phase of the development of North Gubkinskoye field. Phase one will also include the installation of production facilities and the construction of a 25-30 mile pipeline later this year.

Benton will contribute approximately \$7.5 million for these operations and anticipates initial production will commence in late 1992. Phase one's primary objective is to achieve a daily production level of 10,000 bbls. As additional phases are performed over the next five years, the daily production objective is 60,000 bbls or more.

North Gubkinskoye field is estimated to contain ultimate recoverable reserves of approximately 300 million bbls of oil, 40 million bbls of condensate, and two trillion cu ft of gas.

Oxnard, California-based Benton is an independent oil and gas exploration and production company with domestic operations in Louisiana, California, Oklahoma, Texas and Mississippi, and international operations in West Siberia.

Edisto Resources Corp's board of directors approved a restructuring of the Dallas-based company.

The restructuring is comprised of the following components: Edisto's offer to exchange 318 shares of its common stock for each \$1,000 principal amount of the currently outstanding \$102.6 million 13-7/8 percent senior notes due 1999 of its wholly owned subsidiary, NRM Energy Co; the amendment of the indenture governing the notes to delete certain restrictive covenants; the consolidation of Edisto's oil and gas exploration and production subsidiaries, including NRM Energy and Edisto Exploration & Production Co, into a newly formed wholly owned subsidiary; the amendment of the bank credit agreements of Edisto and Edisto Exploration & Production; and the amendment of Edisto's Certificate of Incorporation to increase its authorized common stock from 50 million to 75 million shares.

Maynard Oil Co's board of directors authorized the company to repurchase up to 560,000 shares of its common stock in the open market or through privately negotiated transactions during the next 12 months.

This represents an increase from the 400,000 shares authorized for repurchase announced in August 1991. As of February 10, 1992, the company had repurchased 262,026 shares of the 560,000 authorized for repurchase and has

5,109,234 shares outstanding.

Dallas-based Maynard is engaged in the exploration, development and production of oil and natural gas in the U.S. In addition, its wholly-owned subsidiary, BDK Drilling Co, provides contract drilling services in South Texas.

MSR Exploration Ltd and its five subsidiary corporations filed petitions for Chapter 11 reorganization.

Cut Bank, Montana-based MSR is an independent oil and gas exploration and production company operating in Western Canada and through its subsidiaries in the northern Rockies and Texas. The Chapter 11 petitions were filed in the U.S. Bankruptcy Court for the District of Montana, Great Falls Division.

MSR cited a number of factors in its decision to file for bankruptcy protection, including various litigation proceedings instituted against the companies related to actions of individuals who were in control of the companies in late 1990 and in 1991; substantial legal fees that the companies are incurring in defending this litigation; the inability of the companies to reach a satisfactory arrangement with their principal secured creditor; and the recent downward fluctuations in world oil prices.

Nahama & Weagant Energy Co and partners completed the previously announced acquisition of Arco Oil & Gas Co's interest in Mist gas field in northwestern Oregon near Portland. Bakersfield-based Nahama & Weagant's partners are Oregon Natural Gas Development and a partnership between the company and John Hancock Mutual Life Insurance Co.

The company (both directly and through its interest in the partnership) paid approximately \$1,105,000 for its share of the purchased interest, representing approximately 3.0 billion cu ft of proved developed gas reserves, with potential for additional development and exploration. Under the terms of the acquisition, the company also received approximately \$300,000 relating to the operations of the acquired properties for the period of August 1, 1991, through December 31, 1991.

Sun Co Inc announced a second "significant" oil discovery in the Espinal Block in Colombia's Upper Magdalena Basin.

Sun is a one-third partner in the block through its subsidiary, Sun Colombia Oil Co. LASMO Oil (Colombia) Limited is the operator with a two-thirds interest.

(Please see This Week, Page 10)



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

June 17, 1991

AZ OIL & GAS
CONSERVATION COMMISSION

JUN 20 1991

Mr. Daniel J. Brennan
Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: Navajo Tribal "O" 12, Navajo Tribal "O" 16, Navajo Tribal "O" 18
Lease No. N00-C-14-20-4433
Teec Nos Pos Field
Apache County, Arizona

Dear Mr. Brennan:

Please find enclosed a Plugging Record (Form No. 10) for each of the above captioned wells, in triplicate. A regulation marker has been erected at each well and all pits filled in. Surface rehabilitation will be commenced and completed during the time period between July 1 and September 15. We will advise when the well location is ready for final inspection.

If additional information is required, please advise.

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

Reno N. Roncco

Reno N. Roncco
Petroleum Engineer
Vice President

RNR/s

Enclosures



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

March 29, 1991

AZ OIL & GAS
CONSERVATION COMMISSION

APR 1 1991

Mr. Daniel J. Brennan
Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: No. 12 Navajo Tribal "O", SE/4 NE/4
No. 16 Navajo Tribal "O", SE/4 SE/4
No. 18 Navajo Tribal "O", NE/4 SW/4
Section 22, T41N, R30E
Apache County, Arizona
Terminated Lease N00-C-14-20-4433

Dear Mr. Brennan:

Please find enclosed Forms 9 describing the proposed procedure for re-entering and re-plugging the No. 16 and No. 18 wells captioned above. No proposal is submitted for the No. 12 well because a determination to re-enter this well will not be made until field operations commence.

Also enclosed is Form No. 1, Organization Report for Mountain States Resources, Inc., reflecting the changes within our organization.

If additional information is required, please advise.

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

Reno N. Roncco

Reno N. Roncco
Vice President
Petroleum Engineer

RNR/s

Enclosures

801,834,843

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

Mountain States Resources, Inc.

Post Office Address (Box or Street Address)

P.O. Box 250 - Cut Bank, Montana 59427

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Corporation

**AZ OIL & GAS
CONSERVATION COMMISSION**

Purpose of Organization (State type of business in which engaged)

Oil and gas exploration and production

APR 1 1991

If a reorganization, give name and address of previous organization.

If a foreign corporation, give (1) State where incorporated	(2) Name and post office address of state agent	(3) Date of permit to do business in state
<u>Colorado</u>	<u>S. L. Pederson Rider Wouls Bldg., Ste. 44 11246 E. Mississippi Ave. Aurora, CO TITLE 80012</u>	<u>1982</u>
Principal Officers or Partners (if partnership) NAME		POST OFFICE ADDRESS
<u>Patrick M. Montalban</u>	<u>President</u>	<u>P.O. Box 250 - Cut Bank, MT 59427</u>
<u>Reno N. Roncco</u>	<u>Vice President</u>	<u>P.O. Box 250 - Cut Bank, MT 59427</u>
<u>Selden S. Frisbee</u>	<u>Secretary</u>	<u>P.O. Box 547 - Cut Bank, MT 59427</u>
<u>Stephen H. Palmbush</u>	<u>Treasurer</u>	<u>P.O. Box 250 - Cut Bank, MT 59427</u>
<u>Pamela Halvorson</u>	<u>Asst. Secretary</u>	<u>P.O. Box 250 - Cut Bank, MT 59427</u>

DIRECTORS NAME

POST OFFICE ADDRESS

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the

MOUNTAIN STATES RESOURCES, INC. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

March 29, 1991

Date

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Organization Report
File One Copy

Form No. 1



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

March 20, 1991

Mr. John P. Moore
Frisbee, Moore, Stufft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

Dear Mr. Moore:

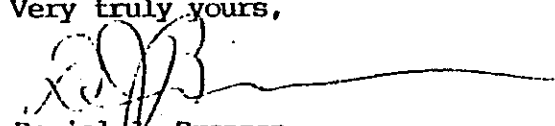
Referring to your letter of February 20, 1991 for your client, Mountain States Resources, we take note that you state that Mr. J. V. Montalban retired as of December 31, 1990.

Under Rule 12-7-194, Organization Reports, operators are required to file a supplementary report "Immediately" after such an event. To date, we have not received the report.

Enclosed are copies of Form 1, Organization Report, which you or your client must complete, and return immediately in order to come into compliance with these rules.

I have today received a copy of your letter of March 18, 1991 to Gilbert O. Lockwood of the BLM in which you state that you "are in the process of completing a satisfactory arrangement" in which you will do required remedial work "subject to direction of the BLM and the State of Arizona." This is to remind you that you must submit Form 9, Application to Plug and Abandon and have it approved prior to doing any such work. To date we have not received your plans for plugging the wells in question.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosures



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

March 4, 1991

Mr. John P. Moore
Frisbee, Moore, Stafft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

RE: Permit 801 12 Navajo "O" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "O" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "O" NESE Sec 22, T41N-R30E

Dear Mr. Moore:

We have received your letter concerning your talks with BLM. We are looking forward to receiving your proposal for correcting the plugging procedures on the three subject wells.

Our minimum requirements and comments for the wells are as follows.

#12 Pull the 4-1/2" casing from this well, recovering as much as possible. Tag the plug reported to have its top at 3937. Place 50' of cement on pipe stub if stub is at 3937, and otherwise 50' above and below stub of 4-1/2", cement must be placed using tubing or drill pipe. Wait on cement and tag plug with tubing or DP. Fill up hole from 1550 to surface with cement.

#16 Pull 4-1/2" casing. Tag top of plug reported at 3937. Place 50' of cement on top of plug if casing stub is at 3937, otherwise 50' of cement above and below casing stub. Wait on cement, tag plug with tubing or drill pipe. Set plug 50' in and out of surface casing at 1515. Set surface plug.

#18 Pull 4-1/2" casing. Tag top of plug reported to be at 3937, place 50' of cement on top of plug if casing stub is at 3937. If casing stub is not at 3937, place cement 50' above and below casing stub. Wait on cement, tag top of plug with tubing or drill pipe. Set plug 50' in and out of surface casing at 1507.

In the above procedures, if the casing stub and top cement are below 3937, drill out whatever is encountered and set cement plug just above producing zone.

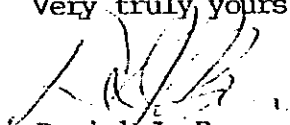
If casing cannot be pulled from any of these wells, drill out surface plug. In 4-1/2" casing, tag plug reported at 3937. If not as reported, drill out whatever is encountered and set a 50-foot plug just above the producing zone. Finish at surface as described above.

Mr. John P. Moore

March 4, 1991
Page - 2 -

In all cases, we must approve your plan prior to any activity in any well. We must be notified at least 24 hours before the beginning of any activity in a well. The approved plan will have telephone numbers to call. We are looking forward to hearing from you.

Very truly yours,


Daniel J. Brennan
Executive Director

FRISBEE, MOORE, STUFFT & OLSON

ATTORNEYS AT LAW
13 EAST MAIN - WILKINS BLDG.
POST OFFICE BOX 517
CUT BANK, MONTANA 59427-0547
(406)873-2263
Telecopier (FAX) (406)873-4342

AZ OIL & GAS
CONSERVATION COMMISSION

FEB 26 1991

SELDEN S. FRISBEE
JOHN P. MOORE
DAVID E. STUFFT
ROBERT G. OLSON

PLEASE REPLY TO CUT BANK OFFICE

Browning Office
Blackfoot Nat'l Bank Bldg.
Browning, Montana 59417
(406)338-2777
(Tues. & Thurs. 1:30-5:00)

February 20, 1991

Daniel J. Brennan, Executive Director
Oil and Gas Conservation Commission
State of Arizona
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

RE: Permit 801 12 Navajo "O" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "O" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "O" NESE Sec 22, T41N-R30E

Dear Mr. Brennan:

I acknowledge with thanks your letter of February 13, 1991.

Transmitted herewith is a copy of the Mountain States Resources correspondence to the Bureau of Land Management which contains the reports on the plugging which you have requested. It is most unfortunate that through an oversight these matters were not sent to you as well.

At the present time Mountain States Resources is devising a plan to submit to the BLM for approval, as well as yourself, so that they can attempt to satisfy your requirements and changes which have been directed.

Kindly be advised that Mr. J.V. Montalban, as CEO of Mountain States Resources, retired as of December 31, 1990, and in the rush of all of the matters which transpired preceding his retirement and since that time, this matter in connection with the Arizona requirements was painfully overlooked.

Please feel free to check with Mr. Ron Fellows at the BLM office at Farmington, New Mexico, on all these matters, as we would like to try to coordinate what is going on here between both the State and the Federal office here in order to harmonize the resolution of these problems.

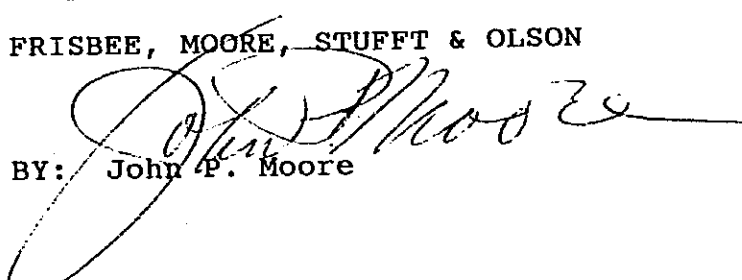
Daniel J. Brennan, Executive Director
February 20, 1991
Page Two

At the present time we are groping for an answer as to whether or not the casing should be pulled on these wells. I enclose a copy of the memo from our engineer, Mr. R.N. Ronco concerning the welding procedure which was followed when the plugging was done. As stated above, these matters are now being worked out and we will have a proposal to submit on February 25, 1991 as previously arranged with the BLM.

Thanking you for your cooperation, we are

Respectfully yours,

FRISBEE, MOORE, STUFFT & OLSON

BY:  John P. Moore

JPM:dda
CERTIFIED/RETURN RECEIPT
Enclosures

cc Mountain States Resources, Inc



Oil and Gas Conservation Commission
STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

February 13, 1991

Mr. John P. Moore
Frisbee, Moore, Stufft & Olson
P. O. Box 547
Cut Bank, MT 59427-0547

RE: Permit 801 12 Navajo "0" SENE Sec 22, T41N-R30E
Permit 834 16 Navajo "0" SESE Sec 22, T41N-R30E
Permit 843 18 Navajo "0" NESE Sec 22, T41N-R30E

Dear Mr. Moore:

We have received your letter concerning subject wells. It was interesting to read of your conference with BLM in Farmington. However, that conference does nothing to comply with Arizona Statutes and Rules.

Copies of BLM correspondence are of interest, but do not rectify your client's failure to file and receive approval of State Form 9, Application to Plug and Abandon or State Form 10, Plugging Record. It is now over three weeks since your client received our letter and the forms still have not been filed.

Your statement that your client was "not aware of the requirements" is not acceptable. Every operator has the duty and responsibility to make himself aware of the laws and rules of the jurisdiction in which he operates. According to our records, your client requested and was sent a copy of our rules in 1982. I am enclosing a copy of my letter to your client, of August 16, 1990, reiterating the necessity for these reports.

In addition, our rules require written notice of intention to plug so that we may witness the plugging. Failure to reach us on a Saturday morning, as your client failed to reach BLM on a Saturday morning, is not an acceptable excuse. It seems obvious that the operator must have known of the plans to plug the wells on Friday, and could have called then.

I have twice provided your client with the appropriate forms (in August 1990 and again in January 1991). These forms must be submitted. Form 9, Application to Plug and Abandon must be approved by us before any action is taken. Form 10 is to be filed within 30 days after the plugging is accomplished.

Mr. John P. Moore

February 13, 1991
Page 2

I refer you to our letter of January 14, which set out what your client must do to satisfy our requirements. Once he sends us his record of what was done in the wells, we will evaluate the record for compliance with our requirements. Complete documentation to verify the report should be included.

If the work done does not meet our requirements, then the wells will have to be opened and plugged in such a manner as to meet our requirements.

We will be pleased to coordinate our efforts with those of BIM. However, for us to be able to cooperate with BIM, we must be able to demonstrate compliance with the duties mandated by Arizona laws and rules. If we do not receive the proper paper work and adequate notification, expressions of good will are valueless.

We are looking forward to the resolution of this problem.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosure



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE 101
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

August 16, 1990

Mr. J. V. Montalban, President
Mountain States Resources, Inc.
P. O. Box 250
Cut Bank, Montana 59427

Dear Mr. Montalban:

Enclosed are Arizona Oil & Gas Conservation Commission Forms 9 and 10, Application to Plug and Abandon and Plugging Record. If you do have to plug out your wells at Tee Hee Pass, we need to have these forms. File Form 9 before you plug the wells and Form 10 afterwards.

We also have to be called 24 hours before you do the jobs, so we can be there. We have to have this paperwork before we can release your bonds on the wells.

I hope you can get a continuance from the Navajo Tribe, and not have to plug the wells right away. I am working on the area right now, as I told you yesterday. So far your No. 18 Navajo "O" well is the only one I don't seem to have good information about. I am looking forward to receiving it from you so I can finish the job soon.

Thanks for your cooperation.

Very truly yours,

Daniel J. Brennan
Executive Director

Enclosures

Thank you for sending the information re No. 18 well so quickly. It came just in time. If you would like your logs returned, please let me know. Thanks a lot.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



Oil and Gas Conservation Commission

STATE OF ARIZONA
5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

January 14, 1991

Mr. J. V. Montalban, President
Mountain States Resources
Box 250
Cut Bank, MT 59427

Dear Mr. Montalban:

We have received your monthly production reports for the Navajo "O" lease wells in Sec 22, T41N-R30E, Apache County, Arizona. On these reports you have entered "Plugged and Abandoned on August 14, 1990."

This is the first report we have had from you that the wells were plugged and abandoned. This is a violation of the laws of the State of Arizona and of the Rules of the Oil and Gas Conservation Commission.

Your proposals to plug and abandon the wells in 1988 included the sentence, "All work will be done in accordance to BLM and AOGCC regulation." Your plan was never approved by this office. You did not notify us at all, let alone in time to allow us to observe the procedures. These are violations of the rules and of the laws, ARS 27-527 provides penalties for such violations.

We have obtained information relating to your alleged plugging of these three wells from the Bureau of Land Management.

We understand that BLM is requiring you to re-enter wells no. 16 and 18 and to replug them. A decision on No. 12 is contingent on the results of the re-entry of the first two wells.

You are also required to file forthwith your reports on the plugging of all three wells and revised plans for the plugging of all three wells; the revised plans must be in compliance with laws and rules of Arizona.

You are required to have our approval before proceeding on the re-entry of any well. You are required to notify us at least 24 hours prior to any re-entry so that we may be present to observe the procedures.

Mr. J. V. Montalban

January 14, 1991
Page 2

Failure to comply will cause us to require us to demand that you re-enter and re-plug one more time, finally in compliance with Arizona laws and rules. Failure to comply will result in our turning this matter over to the Attorney General for prosecution.

Enclosed are forms for your use in reporting and proposing to plug and abandon.

Very truly yours,


Daniel J. Brennan
Executive Director

Enclosures



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LAPLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401



IN REPLY REFER TO:

N00-C-14-20-4433 (WC)
3162.3-4 (019)

AZ OIL & GAS CONSERVATION COMMISSION

JAN 1 1991

JAN 1 0 1991

CERTIFIED - RETURN RECEIPT REQUESTED
P 337 993 577

Mountain States Resources, Inc.
P. O. Box 250
Cutbank, MT 59427

Gentlemen:

Reference is made to the following wells located in section 22, T. 41 N., R. 30 E., Apache County, Arizona, terminated lease N00-C-14-20-4433:

1. No. 12 Navajo Tribal "O", SE/4NE/4 Permit # 821
2. No. 16 Navajo Tribal "O", SE/4SE/4 " 834
3. No. 18 Navajo Tribal "O", NE/4SW/4 Permit # 843

We have received your Subsequent Report of Abandonment for the above wells dated December 21, 1990. As described in our November 2, 1990 letter, the subject plugging deviates from the original approved modified plugging plan. In addition, the State of Arizona also contacted your office and requested that the fresh water zones be covered by cement. This is to say a plug inside and outside the production casing is to be placed from 50' below the top of the chindle to the surface.

You are required to re-enter well No. 16 and No. 18 as follows:

- a. Drill out surface plug.
- b. Run in hole with tubing and tag producing horizon plug and note location.
- c. Bring cement from top of plug to extend 50' above Hermosa top (if needed).
- d. Test mud, if inadequate bring up to BLM standards (see general requirements attached to your intent to abandon).
- e. Set a plug from 50' below surface casing shoe (No. 16 - 1570; No. 18 - 1560') to surface inside and outside 4 1/2" production casing.

A determination will be rendered to replug well No. 12 after the above two wells have been re-entered. If the plugs are encountered in the wrong location, the cement has not hardened properly or the plugs are not the reported length, then this well (No. 12) will have to be re-entered and plugged as described for wells No. 16 and 18.

You are also required to notify this office at least 24 hours prior to re-entering these wells at (505) 326-6201. A Bureau of Land Management representative is to be present during the entire reentry and plugging operation.

You have 30 days to comply with this order. The 30 days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 days will result in strict enforcement of 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.400 et. seq.

If you have any questions, please contact John Keller with this office at (505) 327-5344.

Sincerely,

/s/ Ron Fellows

Ron Fellows
Area Manager

cc:

Conservation Commission, 5150 N. 16th St., Suite B-141,
Phoenix, AZ 85016
BIA, Navajo Area Office, P. O. Box "H", Window Rock, AZ 86515-0714
Navajo Nation, Minerals Dept., P. O. Box 146, Window Rock, AZ 86515

DATE: December 10, 1990

TO: Files

FROM: S. L. Rauzi

SUBJECT: Mountain States wells at the Teec Nos Pos Field

On 12/6/90 John Keller (BLM, 1235 La Plata Highway, Farmington, NM 87401, (505) 327-5344) called to report that Mountain States Resources had plugged and abandoned their three wells at the Teec Nos Pos Field. The sundry report filed by Mountain States indicated that the plugging and abandonment was not in accordance with the plugging plan submitted to the BLM. The BLM was considering action to require Mountain States to re-enter and plug the wells according to plan and have a representative witness the plugging operation.

Since these wells are apparently plugged and abandoned, the September monthly producers report will be the last report by this operator.

The wells include: 1) Navajo 12 (permit 801), 2) Navajo 16 (permit 834), and Navajo 18 (permit 843).



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

August 16, 1990

Mr. J. V. Montalban, President
Mountain States Resources, Inc.
P. O. Box 250
Cut Bank, Montana 59427

Dear Mr. Montalban:

Enclosed are Arizona Oil & Gas Conservation Commission Forms 9 and 10, Application to Plug and Abandon and Plugging Record. If you do have to plug out your wells at Teec Nos Pos, we need to have these forms. File Form 9 before you plug the wells and Form 10 afterwards.

We also have to be called 24 hours before you do the jobs, so we can be there. We have to have this paperwork before we can release your bonds on the wells.

I hope you can get a continuance from the Navajo Tribe, and not have to plug the wells right away. I am working on the area right now, as I told you yesterday. So far your No. 18 Navajo "O" well is the only one I don't seem to have good information about. I am looking forward to receiving it from you so I can finish the job soon.

Thanks for your cooperation.

Very truly yours,

Daniel J. Brennan
Executive Director

Enclosures

Thank you for sending the information on the #18 well so quickly. It came in a flash of time if you would like your logs returned, please let me know. Thanks a lot!

APPLICATION TO PLUG AND ABANDON

FIELD _____
OPERATOR _____ ADDRESS _____
Federal, State or Indian Lease Number _____ WELL NO. _____
or Lessor's Name if Fee Lease _____
LOCATION _____
TYPE OF WELL _____ TOTAL DEPTH _____
(Oil, Gas or Dry Hole)
ALLOWABLE (If Assigned) _____
LAST PRODUCTION TEST OIL _____ (Bbls.) WATER _____ (Bbls.)
GAS _____ (MCF) DATE OF TEST _____
PRODUCING HORIZON _____ PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD.

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

DATE COMMENCING OPERATIONS _____
NAME OF PERSON DOING WORK _____ ADDRESS _____

Signature _____

Title _____

Address _____

Date _____

Date Approved _____
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: _____

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Plug and Abandon
File Two Copies

Form No. 9

Permit No. _____

PLUGGING RECORD

[illegible]



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 250 - Cut Bank, Montana 59427-0250 - (406) 873-2235

843

August 15, 1990

Mr. Dan Brennan - Compliance Officer
OIL & GAS COMMISSION
5150 North 16th St.
Suite B 141
Phoenix, AZ 85016

Dear Mr. Brennan:

Further to your telephone call, to this date, we have found the old Navajo Tribal "O" 18 well file and have made copies of the pertinent data therein.

We also enclose two copies of well logs, please note that by copy of our letter dated November 18, 1987, these logs were sent to Mr. Ruddy Ybarra.

If you require any further information, please feel free to contact me at the above address.

Very truly yours,

MOUNTAIN STATES RESOURCES, INC.

J.V. Montalban
Manager of Operations

JVM;td



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS

CBM Building - Box 1995 - Cut Bank, Montana 59427-1995 - (406) 873-2235

October 3, 1988

#P 881 046 092
CERTIFIED MAIL

KENU
Copy
#801
#834
NOV 22 1988
#843-
O & G (P.S. CO.)

Mr. Ron Fellows
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

RE: Plugging and Abandonment Plans For Navajo Tribal "O" 12, 16, and 18
Teec Nos Pos Field, Apache County, Arizona

Dear Mr. Fellows:

Reference your letters dated August 4 and 5, 1988 regarding the above captioned subject.

Enclosed are Plugging and Abandonment Plans (Form 9-331) for the three shut-in oil and gas wells in the Teec Nos Pos Field, operated by Mountain States Resources, Inc.

As you know, we have appealed cancellation of our Navajo Tribal "O" lease in our letter of August 25, 1988 to Mr. T. R. Tippeconnic of the Bureau of Indian Affairs in Window Rock, Arizona. Therefore, we do not intend to plug and abandon the three wells until our appeal has been considered.

If additional information or changes for the enclosed forms are required, please advise.

Yours very truly,

J. V. Montalban
President

JVM/rr

Enclosures

cc AOGCC, Phoenix, AZ



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

November 12, 1987

Cora Belle Montalban
Mountain States Resources, Inc.
P.O. Box 176
Cut Bank, MT 59427

Re: Well No. 18 Navajo-0
Sec. 22, T.41N., R.30E.
Teec Nos Pos Field
Apache County, AZ

Dear Cora Belle:

Our office records show that logs on subject well were never filed and are now delinquent since 30 days after completion of the well.

Please send copies of all surveys (logs) run. Thank you.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

RAY:lr

MOUNTAIN STATES RESOURCES, INC.

Operations Office-CBM Building
P.O. Box 176 • Cut Bank, Montana 59427
Phone (406) 873-2235

P.O. 1995

RECEIVED

JUN 8 1984

O & G CONS. COMM.

MEMO-LETTER

TO Mr. R. A. (Rudy) Ybarra
Director of Enforcement
STATE OF ARIZONA
Oil & Gas Conservation Commission
Suite #420 - 1645 West Jefferson
Phoenix, Arizona 85007

June 4, 1984

DATE
SUBJECT Form No. 25 - Sundry Notices
and Reports on Wells
Navajo "O" #18 Well

Dear Mr. Ybarra:

Enclosed herewith please find your Form No. 25, pertaining to our Navajo "O" #18 well - your Permit #00843, together with a copy of the USGS Form 9-331 - which is basically the same information.

Yours very truly,

Cora Belle Montalban

Cora Belle Montalban
Secretary



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 1995 - Cut Bank, Montana 59427-1995 - (406) 873-2235

June 4, 1984

CERTIFIED--RETURN RECEIPT REQUESTED

Mr. John Sellckee, Asst. Area Manager
U. S. DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Caller Service 4104
Farmington, New Mexico 87499

RECEIVED

JUN 12 1984

D & G CONS. COMM.

Dear Mr. Sellckee:

RE: 3100 (016)

This will acknowledge your letters of harassment, dated April 20 and May 24, 1984, in which you are not only assessing us \$100.00 for failure to "submit a plan"; but you continue to bother and harass us after we have advised your field personnel that we are attempting to draw up "a plan".

The Navajo #18 well is a marginal - stripper well, at best, producing little oil (less than 10 BPD) and copious quantities of water (in excess of 150 BPD) on the preliminary testing that we have completed to date. In addition to this, we are subjected to constant theft and vandalism to our property and equipment.

As a result, we are attempting to evaluate our position at Teec Nos Pos, on the Navajo Reservation. We have discovered, much to our chagrin, that the Navajo Nation is not the ideal place to operate. We have been subjected to making large payments; which represent no more than blackmail and extortion. If we pay - everything seems to go smoothly...if we refuse to pay - our equipment is vandalised, stolen and smashed. Add to all of these problems the fact that the BLM, who appear to have nothing better to do than harass operators, levies fines upon us for not "submitting a plan".

Well, frankly, Mr. Sellckee (forgive the spelling; but your letter was signed in such a way that we could not ascertain the correct spelling), we are attempting to prepare "a plan" and, as previously mentioned, we are attempting to evaluate our position at Teec Nos Pos, and decide whether it is worth spending any more good money in an attempt to save the \$2 million we have spent to date.

At any rate, we will either attempt to rework this "water well", or plug and abandon the Navajo #18 later on this summer, when we have had an opportunity to meet with the Tribal Council at Window Rock; to ascertain if they want us to continue development, or pack up our bags and go home.

When we took this farmout from Energy Reserves Group (2 years ago) people warned us about the headaches that we would encounter dealing with the Department of the Interior, and all of their petty harassments, along with the problems that we would encounter operating at Teec Nos Pos, on the Navajo Reservation. Unfortunately, this is the first



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CBM Building - Box 1995 - Cut Bank, Montana 59427-1995 - (406) 873-2235

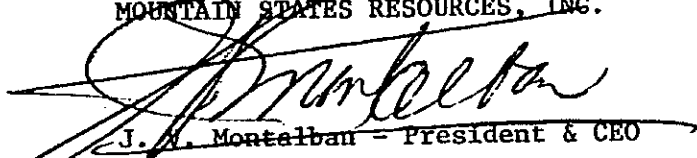
John Sellickee
BLM
June 4, 1984
Page Two.....

time that we have ever drilled on and operated on a federal lease and, very frankly, we are finding out that it is not worth the effort - drilling on U. S. Department of the Interior administered lands, as compared to operating on fee lands and state lands. We own and operate over 150 oil and gas wells in the Rocky Mountains, and we have never, ever, had the problems and the harassment and vandalism on our fee and state lands, as compared to what we are being subjected to on this Navajo lease.

We enclose herewith a Sundry Notice and Report On Wells, outlining "our plan", as we know it, to this date.

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.


J. A. Montalban - President & CEO

JVM/cbm

cc: Hon. William P. Clarke
Secretary of Department of Interior
18C Street Pearl, N. W. - Room 6151
Washington, D. C. 20240

cc: BUREAU OF LAND MANAGEMENT
District Office (012)
P. O. Box 6770
Albuquerque, New Mexico 87102

cc: Mr. R. A. Ybarra ✓
Director of Enforcement
STATE OF ARIZONA
Oil & Gas Conservation Commission
Suite #420 - 1645 West Jefferson
Phoenix, Arizona 85007

cc: Mr. Matt Millenbach, Area Manager
BUREAU OF LAND MANAGEMENT
Caller Service 4104
Farmington, New Mexico 87401

cc: Mr. Floyd Espinoza
BIA - Navajo Tribe
MINERALS MANAGEMENT
P. O. Box "M"
Window Rock, Arizona 86515

cc: Mr. Khaled Ferfera, P. Eng.
THE NAVAJO NATION
MINERALS MANAGEMENT
P. O. Box 146
Window Rock, Arizona 86515
Att: Lorenzo Tsosi

Form 9-331
Dec. 1973

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☒ well gas ☐ well other ☐

2. NAME OF OPERATOR

MOUNTAIN STATES RESOURCES, INC.

3. ADDRESS OF OPERATOR

Box 1995 - Cut Bank, Mt. 59427-1995

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: NESW Sec. 22 - 2043' FSL & 1943' FWL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☒
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
CHANGE ZONES ☐
ABANDON* ☐
(other) ☐

SUBSEQUENT REPORT OF:

☐
☐
☐
☐
☐
☐
☐
☐

5. LEASE

NOO-C-14-20-4433

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

Navajo "O" Tribal Lease

8. FARM OR LEASE NAME

Navajo "O" Tribal Lease

9. WELL NO.

Navajo #18

10. FIELD OR WILDCAT NAME

Teec Nos Pos Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

NE 1/4 SW 1/4 Sec. 29 - T41N - R30E

12. COUNTY OR PARISH

Apache

13. STATE

Arizona

14. API NO.

#02-001-20281

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4981' (Ungraded)

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

We are presently attempting to evaluate testing results obtained to date on this well; which indicates a small - marginal producer, at best, making less than 10 barrels of oil per day, with some 150 barrels of water per day. These facts, along with the vandalism, thefts and harrassment that we are receiving at Teec Nos Pos, is making us consider plugging and abandoning this well. When definite plans to either rework and/or plug and abandon this well later this summer, have been ascertained, we will file a definite plan.

Subsurface Safety Valve Manu. and Type 4 1/2" Baker Float Shoe & Float Collar Set @ 5,197 Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Mgr. of Operations DATE June 4, 1984
J. V. Montalban, Pet. Eng.

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

cc: Arizona Oil & Gas Commission
R. A. Ybarra-Compliance

*See Instructions on Reverse Side

March 23, 1984

Mrs. Cora Belle Montalban
Secretary
Mountain States Resources, Inc.
CBM Building
Box 1995
Cut Bank, Montana 59427-1995

Dear Cora Belle:

We are in receipt of your Monthly Producers Report on Well No. 12 for February and some confusion has arisen regarding the copy of the Monthly Report of Operations to the USGS (Form 9-239). I refer in particular to the "Remarks" column, in which you state "Asplaced Navajo #16 and #18 on production during January 1984."

Upon checking the January production figures, I find no production recorded for these two wells, nor do I find any sundry reports on them.

Enclosed you will find several "Sundry Notices and Reports on Wells" (Form 25). Would you or Joe please complete one for each well (No. 16 and No. 18) and return them to us so we can be aware of the operations of these wells.

Thank you for your cooperation.

Sincerely,

Sheila Burgan
Secretary
Enforcement Section

Enclosures

CC: A. K. Doss



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 271-5161

August 9, 1983

Mountain States Resources, Inc.
Oil & Gas Exploration & Production
CBM Building
Box 176
Cut Bank, Montana 59427

RE: State Permit 843, 18 Navajo-O - Apache County
State Permit 844, 20 Navajo-O - Apache County

Gentlemen:

Enclosed are approved Applications for Permit to Drill, receipts, Permits to Drill and Reports on Proposed Operations for the above referenced wells.

If we may be of further assistance, please advise.

Sincerely,

R.A. Ybarra

R. A. Ybarra
Enforcement Director

/bha

Enclosures

MOUNTAIN STATES
RESOURCES, INC.

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

CTB- 10061

DELUXE - FORM WV-3 V-2

DATE	DESCRIPTION	AMOUNT
July 30, 1983	Application for Permit To Drill Navajo "O" #18 Well, Navajo Triba N00-C-14-20-4433 Lease, located NE/4SW/4 Section 22 - T41N-R30E, Apache County, Arizona..... P/N 843	\$25.00

	25.00			8/8/83	Mountain States Resources	Permit # 843	KB
	\$ CHECKS	\$ CASH	NET	DATE	NAME	DESCRIPTION	RECEIVED BY

IF **(ENCIRCLED)**
INDICATES CASH
RETURNED FOR
ADJUSTMENT TO
NET AMOUNT OF
ACTUAL PAYMENT

2433

↑
INVALID
WITHOUT
SIGNATURE

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA
1645 WEST JEFFERSON; SUITE 420
PHOENIX, ARIZONA 85007

MAIN THIS RECEIPT
FOR YOUR RECORDS

Katie Barnes

SIGNATURE



MOUNTAIN STATES RESOURCES, INC.

A Subsidiary of MSR Exploration Ltd.

OIL & GAS EXPLORATION & PRODUCTION
OPERATING IN THE ROCKY MOUNTAINS
CBM Building - Box 176 - Cut Bank, Montana 59427 - (406) 873-2235

RECEIVED

AUG 8 1983

O & G CONS. COMM.

August 2, 1983

Mr. R. A. Ybarra
STATE OF ARIZONA
Oil & Gas Conservation Commission
Suite #420 - 1645 West Jefferson
Phoenix, Arizona 85007

Dear Mr. Ybarra:

Re: Mountain States Resources, Inc.
Application for Permit To Drill
Navajo "O" #18 Well
Apache County, Arizona

Enclosed please find four (4) copies of the above described Application For Permit To Drill, together with our check #10061, in the amount of \$25.00, covering the filing fee.

We will appreciate your returning two copies of the approved Application for our files.

Thanking you for your kind attention to this matter, I remain

Yours very truly,

MOUNTAIN STATES RESOURCES, INC.

Cora Belle Montalban

Cora Belle Montalban - Secretary

CBM/me
Encs: (4)